
IMPLEMENTATION OF BUREAUCRATIC REFORM POLICIES AT AN EARLY STAGE LED BY THE MINISTRY OF FINANCE. AS A PIONEER, THE MINISTRY OF FINANCE BECAME A BENCHMARK FOR OTHER AGENCIES IN THE IMPLEMENTATION OF BUREAUCRATIC REFORM POLICIES. THE UNIT OF MINISTRY OF FINANCE THAT RESPONSIBLE FOR THE DEVELOPMENT AND IMPROVEMENT OF THE COMPETENCE OF BOTH HARD SKILLS AND SOFT SKILLS OF EMPLOYEES, ESPECIALLY IN THE AREAS OF BUDGET AND TREASURY IS BUDGET AND TREASURY TRAINING CENTER. AS A UNIT THAT RESPONSIBLE FOR THE DEVELOPMENT AND IMPROVEMENT OF EMPLOYEE COMPETENCIES, BUDGET AND TREASURY TRAINING CENTER BECAME AN EXAMPLE FOR EMPLOYEES OF THE MINISTRY OF FINANCE TO SHOW THAT THE BUDGET AND TREASURY TRAINING CENTER HAS IMPLEMENTED THE BUREAUCRATIC REFORM AS WELL AS REFLECTED IN ITS PERFORMANCE. THIS STUDY FURTHER DISCUSSES THE INFLUENCE OF BUREAUCRATIC REFORM POLICIES ON EMPLOYEE PERFORMANCE IN BUDGET AND TREASURY TRAINING CENTER, MINISTRY OF FINANCE. THIS RESEARCH IS IMPORTANT BECAUSE THERE HAS BEEN NO RESEARCH THAT DISCUSSED COMPREHENSIVELY INFLUENCE OF BUREAUCRATIC REFORM POLICIES ON EMPLOYEE PERFORMANCE. SEVERAL STUDIES SHOWED THAT IMPROVEMENT OF REMUNERATION WHICH IS AN ELEMENT OF BUREAUCRATIC REFORM IS NOT ALWAYS A POSITIVE EFFECT ON PERFORMANCE. THESE SHOW A COMPLICATED RELATIONSHIP BETWEEN IMPROVE REMUNERATION WITH THE PERFORMANCE. ACCORDING TO THE PREVIOUS RESEARCH, THIS STUDY WILL DISCUSS HOW THE DIRECT INFLUENCE OF IMPROVEMENT REMUNERATION ON EMPLOYEE PERFORMANCE AND THE INDIRECT INFLUENCE THROUGH THE MEDIATION OF MOTIVATION. MEDIATION THROUGH MOTIVATION NEEDS TO BE DONE BECAUSE PERFORMANCE IS A FUNCTION OF MOTIVATION, ENVIRONMENT AND ABILITIES (BOHLANDER AND SNELL 2010).

THE POPULATION OF THIS RESEARCH IS ALL EMPLOYEE OF THE TREASURY AND BUDGET TRAINING CENTER AMOUNTED TO 90 EMPLOYEES. BASED ON SLOVIN FORMULA, THE SIZE OF
the sample used are 74 respondents with a tolerable error of 5%. The sampling method of this research is probability sampling method and proportionate stratified random sampling techniques based on position. This research uses descriptive analysis and Partial Least Square analysis to analyzing the data. A descriptive analysis was used to describe the attitude of the respondent concerning the bureaucracy reform, motivation and performance. While the Partial Least Square analysis to analyze the relationships between the variables examined.

The descriptive analysis with score of average value and cross tabulation shows the respondents agreement of all statements which describes how well its indicator in making up the reflection of bureaucratic reforms, motivation and performance. Some indicators considered less agreed by the respondents ie indicator of mutations pattern in variable of the improvement discipline and human resources management and competitive indicator in variable of improve remuneration. The disagreement of mutation patern indicator show that the clarity and equality in the current mutation is currently deemed to less than good. While a lack of agreement on competitive indicator shows that the remuneration received is considered not able to compete with the private sector.

The relationship analysis between variables with PLS shows that the variables of change in mindset, organizational structuring and management and variable of motivational significantly influence employee performance. The analysis showed that the variables of improved remuneration and variable of discipline improvement and human resource management did not have any influence on performance. The analysis also showed that the most influential variable to the performance was motivation, variable of organization structuring and management and variable of change in mindset. Other facts are found based on the analysis is clarity on the role of motivation in the models, namely as an intervening variable that link remuneration to performance improvement. This can be seen from the analysis where the variable of improve remuneration did not influence directly to the performance, but as mediated by variable of motivation show an indirect influence of remuneration to performance improvement. The results of this analysis showed that motivation acts as an intervening variable in the model.

Keywords: Bureaucratic Reform, Employee Performance, Motivation, Remuneration